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Attorney for Debtor Edward S. Ehee

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

vs.

VIPER CAPITAL MANAGEMENT, *et al.*

Defendants.

AND RELATED ACTIONS

No. C 06-6966 SI

(Related Case Nos. C 06-7270 SI,
C 07-2507 SI, C 07-2508 SI, C 07-2509 SI)

(Formerly: U.S. Bk. Ct. N.D. Cal. Involuntary
Chapter 7 Case Nos. 07-40126T, 07-40129T,
07-40130T)

**EDWARD EHEE'S OPPOSITION TO
MOTION FOR JOINT
ADMINISTRATION (ORIGINALLY
FILED WITH U.S. BANKRUPTCY
COURT ON APRIL 26, 2007)**

Date: July 13, 2007
Time: 9:00 A.M.
Place: 450 Golden Gate Ave.
San Francisco, CA
Courtroom 10
Judge: Hon. Susan Illston

The undersigned hereby refiles the attached document originally filed with the U.S.
Bankruptcy Court N.D. Cal. on April 26, 2007.

DATED: June 27, 2007

/s/ James D. Wood

James D. Wood
Attorney for Debtor EDWARD S. EHEE

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UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA

In re

EDWARD SEWTON EHEE,

Debtor.

Case No. 07-40126T

(Involuntary Chapter 7)

**EDWARD EHEE'S OPPOSITION TO
MOTION FOR JOINT ADMINISTRATION**

Fed.R.Bankr.P. 2015(b)

Hearing:

Date: May 3, 2007

Time: 3:00 P.M.

Place: 1300 Clay Street
Oakland, CA
Courtroom 201

Judge: Hon. Leslie J. Tchaikovsky

EDWARD SEWTON EHEE, ("Ehee") opposes the "MOTION FOR JOINT
ADMINISTRATION" filed in this case dated April 9, 2007 ("Joint Admin. Motion") by
ROOSEVELT FUND, L.P. ("Roosevelt") as follows:

OPPOSITION TO JOINT ADMINISTRATION

1. Ehee opposes the joint administration of the involuntary case filed against him
(No. 07-40126) (the "Ehee Bankruptcy") with those filed against COMPASS FUND
MANAGEMENT (No. 07-40129) (the "Compass Management Bankruptcy") and COMPASS

1 WEST FUND L.P. (No. 07-40130) (the “Compass West Bankruptcy”). Ehee does *not* oppose the
2 joint administration of the Compass Management Bankruptcy with the Compass West
3 Bankruptcy.

4 2. Because Ehee has opposed Roosevelt’s involuntary petition in his case, no order
5 for relief has filed in the Ehee case. No one opposed the involuntary petitions filed in the
6 Compass West and Compass Management bankruptcy cases. The Court has entered an order for
7 relief in the Compass West Bankruptcy and the parties anticipate the Court to do so in the
8 Compass Management Bankruptcy.

9 3. The only basis for Roosevelt’s request to jointly administer the Ehee Bankruptcy
10 with the other two bankruptcy cases is that the parties “will be able to reduce the fees and costs
11 resulting from the administration of these cases and ease the onerous administrative burden of
12 having to file multiple and duplicative documents (Roosevelt’s Memorandum of Points and
13 Authorities dated and filed April 9, 2007, 3:21-24 [the “Roosevelt Memo”] and that “supervision
14 of the administrative aspects of these chapter cases by a single chapter 7 trustee will be
15 simplified” (Joint Admin. Motion, 2:4-8).

16 4. Ehee disagrees as to both of Roosevelt’s propositions with respect to his case.

17 5. First, at this early stage where no order for relief has been entered, joint
18 administration of Ehee’s case with the other two cases in which orders for relief have been
19 entered and trustees appointed is more likely to sew confusion than save time or effort. Even if
20 the three bankruptcy cases in question are related, joint administration is not compelled (*In re*
21 *Parkway Calabasas, Ltd.*, 89 B.R. 832, 836, (Bankr. C.D. Cal. 1988), *aff’d*, 949 F.2d 1058 (9th
22 Cir. 1991) (goal of joint administration is practical one of reducing cost)).

23 6. Second, at this stage where no schedules and no creditor lists are on file, there is
24 no basis for determining the commonality of creditors in the three cases, the degree of conflicts
25

among them, or the nature of the assets in the cases. Accordingly, it is impossible to determine what direction each of the three cases will take. Rule 2015(b) provides in part that, “Prior to entering an order [for joint administration] the court shall give consideration to protecting creditors of different estates against potential conflicts of interest”. Roosevelt’s glib assertion that the “administrative aspects of these chapter cases a by a single chapter 7 trustee will be simplified” is belied by the fact that there is no way of determining at this stage whether due to conflicts of interest -- assuming an order for relief is ever entered in the Ehee Bankruptcy -- a single trustee may properly serve in all three cases. As a proponent of joint administration, Roosevelt bears the burden of providing the Court with appropriate guidance regarding potential conflicts of interests. *In re BH & P, Inc.*, 103 B.R. 556, 569 (Bankr. D.N.J. 1989), *aff’d in part and rev’d in part on other grounds*, 119 B.R. 35, (D.N.J. 1990), *aff’d*, remanded, 949 F.2d 1300 (3d Cir. 1991) (order authorizing joint administration vacated because application did not disclose all facts relating to possible conflicts). It has failed to do so¹.

Accordingly, the Roosevelt Motion should be denied as to its proposed joint administration of the Ehee case with the other two bankruptcy cases.

Respectfully submitted,

/s/ James D. Wood

DATED: April 26, 2007

James D. Wood
Attorney for EDWARD S. EHEE

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¹ Ehee has not opposed the substance of Roosevelt’s “Request for Judicial Notice in Support of Motion for Joint Administration” dated and filed April 9, 2007 requesting that the Court take judicial notice of various case dockets. However, such case dockets establish only that that the cases referenced thereby are pending and the documents referenced therein have been filed with the this Court or the U.S. District Court. The existence of the case dockets alone most certainly does not authenticate the contents of any documents referenced in them nor establish any of the allegations set-forth in the documents filed with those courts.